

The Honorable Karen A. Overstreet
Chapter 11
Hearing Date: December 18, 2009
Hearing Time: 9:30 a.m.
Hearing Location: 700 Stewart St, 7th Floor
Seattle, WA
Response Date: At the Hearing

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re

THE CASCADIA PROJECT LLC
EIN: 20-4188863

Debtor.

Case No. 09-20780-KAO

SUPPLEMENTAL DECLARATION OF
JOHN LADENBURG

I, John Ladenburg, hereby declare as follows:

1. I am the Chief Operating Officer for The Cascadia Project LLC, debtor and debtor in possession herein ("Debtor" or "Cascadia"). I have personal knowledge of the facts set forth below and I am competent to testify thereto. I make this supplemental declaration in support of the Motion for Order 1) Determining That Certain Proceeds and Other Funds May be Used for Monthly Payments to HomeStreet Bank; 2) Setting Hearing Date on Sale of Easement Rights to Puget Sound Energy; and 3) Extending the 90 Day Period Under 11 U.S.C. §362(d)(3) for Cause [Dkt. #103].

2. Attached hereto as Exhibit A is a true and correct copy of the Agreement to Grant Easement (the "Agreement") with Puget Sound Energy ("PSE") for the purchase of a 50 foot easement running along a northerly portion of the land owned by Cascadia for the purchase price of \$548,750. I have been in charge of negotiating the Agreement. I believe that the

1 purchase is beneficial to the debtor and its creditors, including HomeStreet Bank, in a number of
2 ways, including

- 3 • The purchase price is fair, and is higher than it might otherwise be because
- 4 of the key location of the property which will be subject to the easement.
- 5 • The power lines to be placed on the easement will provide electrical
- 6 power, and access to this power will be needed for the Debtor (and the
- 7 Cascadia Resort Communities LLC) to fully develop their properties in
- 8 accordance with the master plan.

9 3. It is my understanding that PSE will be using money from its 2009 budget
10 allocated to purchase the easement, but that if the sale does not close in January 2010, that
11 funding will be lost, with no money provided in the PSE budget for 2010 for the easement
12 acquisition.

13 4. The proceeds of sale of the easement will be sufficient to make monthly
14 payments for January and February 2010 to HomeStreet Bank of approximately \$250,000 each,
15 calculated at the non-default interest rate on the notes signed by Debtor in favor of HomeStreet
16 Bank.

17 5. Attached hereto as Exhibit B is a true and correct copy of a letter from Dr.
18 Gilbert A. Mendoza, Superintendent for the Sumner School District (the "District"), regarding
19 the status of the District's due diligence and continued interest in the proposed school site.

20 Pursuant to 28 U.S.C. §1746, I declare on penalty of perjury under the laws of the
21 United States of America that the foregoing is true and correct.

22 SIGNED this 17th day of December, 2009, at Bellevue, Washington.

23
24 /s/ John Ladenburg

25 John Ladenburg
26 Chief Operating Officer